

# PROCUREMENT POLICIES AND PROCEDURES GUIDANCE



## DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT DIVISION OF ADMINISTRATIVE SERVICES

### General Policy

The State Procurement Code ([Administrative Services 36.30](#)) establishes the statutory authority for the procurement and control of goods and services. The regulations adopted from the procurement codes are found in the [Alaska Administrative Code, Title 2, Chapter 12](#). The Alaska Administrative Manual (AAM [Section 81](#) and [Section 82](#)) also contains procurement procedures and requirements. Anyone involved in procurement activities (soliciting quotations, preparing specifications, evaluating bids or proposals, etc.) must be familiar with the law, regulation, administrative manual and the departmental policies and procedures.

All procurements over \$10,000 must be coordinated with the Department Procurement Officer.

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## **Introduction to the Purchasing Guidelines**

It is the policy of the Department of Education & Early Development that all procurement activities be conducted in such a manner to be in conformity with the State Procurement Code.

### **Goals**

1. Meet services/support/training needs.
2. Meet purchasing compliance in accordance with the State Procurement Laws.
3. Meet professional development needs of Department of Education and Early Development staff.

It is important for employees to recognize that purchasing represents an expenditure of public funds, and as such must be conducted in the most cost efficient manner. The final purchasing document must be able to withstand an audit with all charges clearly outlined, and any exceptions to standard policy noted or documented. The instructions outlined in this handbook support the administrative manual and are designed to provide accountability for all department purchases.

### **Purchasing Delegation of Authority/Sign-Off Authority**

Anyone who obligates Department of Education funds must be delegated the authority to do so. In the Department of Education and Early Development, purchasing delegation has been authorized for each Division Director and a few other staff members. A listing of the persons in your division who have been given this authority is located here: [P:\Delegations](#). Only those individuals identified on the Purchasing Delegations of Authority list may obligate state funds for the Department of Education & Early Development. This list is updated annually or when changes occur.

Documents initiating financial obligations received in the Division of Administrative Services that do not have the signature or initials of a person with purchasing authority, must be accompanied with a memo which places another in acting status. The Division of Administrative Services will return all documents without the appropriate signature to the pertinent division for corrections. An individual signing in an acting capacity should sign their name followed by “for” the name of the individual with purchasing authority.

Sign-off signifies approval on a purchased item from the person who is directly involved with the purchase. Sign-off identifies that the person who places the order actually received the items requested or the services required.

Staff within a division may acquire sign-off authority by completing a [Sign-off Authority](#) sheet and placing it on file with the Division of Administrative Services. Sign-off authority authorizes staff to sign or initial “OK to Pay” on advertising invoices, contract payments, vendor invoices from purchasing orders, and Form 165 grant invoices. Sign-off authority does not give staff the authority to obligate funds, only to verify services rendered on pre-authorized obligations.

## **Fiscal Responsibilities**

Before requesting a purchase, soliciting quotations, awarding a bid, or signing any agreements or contracts for supplies or services, first determine that sufficient and appropriate funds are available for the purchase.

A delegated purchasing or approving officer must sign all accounts payable documents (i.e., purchasing, contracting or approval on invoices.) All professional service contracts or agreements must be encumbered in AKSAS regardless of dollar value. All purchases for goods and other services of \$500 or more shall be issued on a Delivery Order (DO) form or written agreement routed to your division delegated person and should be encumbered in AKSAS.

## **One-Card Purchasing Credit Card**

The One-Card is a State of Alaska issued Visa credit card that is used for purchasing goods and services. One-Cards are issued to State of Alaska employees for the purchase of high volume, low dollar (typically \$2,500 or less) supplies, services, etc.

The State of Alaska One Card Program has been established to provide a more efficient, cost-effective method of making and paying for small purchases. The program is designed to lower the cost of making these purchases, to enhance the state's cash management opportunities, and to lower the cost of paying monthly vendor bills. [The Alaska One Card information and guidance is available online.](#)

Please check with the Division of Administrative Services as to the Internet purchasing policy for this Department.

For misplaced State of Alaska credit card, inform the One-Card administrator with the Division of Administrative Services as soon as possible.

## **Receipts:**

Documentation for all One-Card purchases must be turned in weekly to approving officers. You may record your purchase information on a delivery order form or any other form approved by the department.

## **Reconciling Bank Transactions**

The Division of Finance downloads daily bank transaction information to the purchasing card database for users to access. This information consists of cardholder account number, vendor name, purchase date, and purchase amount. On a regular basis (daily or weekly) users match orders in their log to these bank transactions. This “matching” process is known as reconciliation. Reconciled orders are interfaced monthly into AKSAS as 310-55 warrant transactions. By reconciling regularly, you are ensuring that your transactions are posted in AKSAS in a timely manner.

Complete instructions and technical support for One-Card Process including reconciling bank transactions are in the [Division of Finance's web page](#).

## **Vendors**

Contact Administrative Services for the proper procedures to add a new vendor into AKSAS.

To expedite vendors input process, the Division of Administrative Services requires that you complete a [New Vendor Question](#) form for each new vendor. This form is available on the Department intranet page.

## **Procurement Code Restrictions**

You shall **not** directly procure the following items:

- Telephone lines or circuits, radios, or any of the following equipment:  
Electronic navigation, paging, public address, video transmission, teleconferencing, video conferencing, image transmission, telecommunications equipment, modems, bridges, routers, multiplex equipment, terminal control units;
- Construction, State equipment fleet vehicles, mobile homes, portable shelter units, or prefabricated and/or sectional office, housing or shelter units;
- Leased office space; or
- Construction involving leased space.

Submit the request for these items to the Department's procurement officer in Administrative Services on a completed [Purchase Requisition](#) form. The Department of Administration, Enterprise Technology Services (ETS) will procure the telephones, Department of Transportation & Public Facilities will procure the construction/vehicles, and General Services (GS) will procure requests having to do with leases.

## **Business Card Standards (AAM 83.065)**

Embossed gold printing is reserved for the Governor's Office and embossed silver printing is reserved for the Lieutenant Governor's Office. Format: 3 ½" X 2", with 9/16 diameter Alaska State Seal in the upper left corner; recycled symbol in the lower left or right corner, printed in the black or blue ink, one color only, including the State Seal. The cards must be printed on 80-pound recycled stock, minimum 50 percent recycled content. The Department of Education and Early Development [template for business card is available in the Department intranet page](#).

Nonessential items are not authorized expenditures of State funds unless approved in advance. Such items include:

- Printing of a personal nature such as personal letter stationery, Christmas cards, nameplates, personal photographs, etc;
- Foodstuffs and utensils such as coffee, doughnuts, cakes, coffee makers, cups, silverware, etc;
- Dues for personal membership in professional and technical associations or organizations;

- Nonfunctional or nonessential office fixtures, equipment or other items such as ash trays, radios, personalized items, wall pictures, pen and pencil desk sets, etc; and
- Any item similar in nature or content to the above listed items that cannot be justified as essential in the administration or conduct of a State office or program.

If you feel it is necessary to purchase something of this nature, prepare your request in [memorandum form](#), address it to the Director of Administrative Services, and explain the procurement is necessary or an integral part of your function. Include a signature line and approved/disapproved block.

### **Alaska Procurement Officer Certification Program**

The Department of Administration Division of General Services has implemented a statewide [Procurement Officer Certification Program](#) with a stated goal to “develop a certification program that promotes professionalism and accountability and which ensures competent, trained individuals conduct all procurements.”

This program consists of three separate levels of procurement complexity. Each level corresponds with the core training requirements that are building block of the next higher level. After completing core-training requirements, an individual is eligible to receive a delegation of purchasing authority from their department for that particular level.

Certification will be required for all those possessing a delegation of purchasing authority. However, it is not required for those who only perform the ministerial duty of signing or approving contracts. Only those who actually conduct procurement activities.

The Department of Education and Early Development require that employees with purchasing delegation of authority attend some of these courses. Anyone purchasing in amounts over \$5,000 will be required to be certified at one of the three levels.

An individual who performs the following procurement tasks must be certified:

- Issues or amends a solicitation;
- Issues a Notice of Award (small procurement);
- Issues a Notice of Intent to Award;
- Awards a contract;
- Responds to a protest or contract controversy;
- Conducts an alternate procurement; or
- Makes a procurement officer’s determination as required by Statute, Regulation or the Alaska Administration Manual.

Generally, the lead procurement person for the department or the procurement officer will identify the level of certification needed, if any, for individuals conducting procurement actions

### **Authority to Make Small Purchases**

Before performing any procurement, you must receive a written procurement delegation from the Department. If your procurement authority is greater than \$5,000 and not more than \$10,000, you must also indicate your understanding by reading the [Alaska Public Procurement Manual available online](#).

After reading the Alaska Public Procurement Manual you must complete and submit the application form located on page 29 of the Alaska Public Procurement Manual to the Division of Administrative Services.

### **State Contract Award Manual (CAM)**

State Contract Awards are contracts entered into by the Department of Administration Division of General Services for common items used by State agencies. Contract Awards may be designated as “mandatory” or “non-mandatory.” Mandatory contracts require all agencies to procure the items or services from the designated contractor or vendor. Agencies are encouraged to use non-mandatory contracts whenever practicable as they generally result in savings for the State and the procuring agency.

When purchasing off of a contract in the CAM within your delegated authority you do not need a procurement certification.

All Contract Awards and the specifics of each are identified in the CAM are maintained on the [Department of Administration, Division of General Services’ web site](#).

If you have any questions or are not familiar with the Contract Award Manual procedures, please contact the procurement staff with the Division of Administrative Services.

### **Some Things to Remember**

Some things to remember:

- Always first determine if the goods or services you are seeking is available on State contract award.
- Do not exceed your delegated authority or procurement certification when procuring goods and services.
- All purchases of goods and services over the amount of \$10,000 must be routed to the procurement staff for review and for proper signatures.
- Purchases related to computer equipment or software must be according to department standards and approved by the Department of Education and Early Development Information Technology Services (IT) staff before processing.
- Do not telephone in orders or otherwise obligate the State unless you have received at least a verbal approval from an appropriate individual with purchasing authority.

### **Furniture**

All systems furniture must be purchased off of the mandatory contract in the CAM and confirm to Universal Space Standards. Any exceptions must be approved by the Department of Administration **prior**



**to purchase.** Consult with the EED Procurement Officer to confirm whether USS applies to your furniture purchase.

- Information about USS is found here: <http://doa.alaska.gov/dgs/USS/> .
- The CA for systems furniture is here: [Link to CA](#) .

### **Computer Related Purchases**

All technology purchases need to be approved by Information Technology Services prior to purchase. The Department of Education & Early Development has made a significant investment in computing resources to provide all staff with access to current technology to enable them to do their jobs more efficiently and effectively. Information Technology Services (IT) staff are fully trained in supporting and maintaining our current computing environment and are prepared to assist you with your technology needs.

To preserve the integrity and reliability of the network, it is critical that all technology-related items be approved by an IT staff member before the actual purchase is made (Delivery Orders or P-Card purchases). This includes, but is not limited to: computers, laptops, software, mice, keyboards, and any application or piece of equipment that connects to your computer or our network. IT staff will not be able to install or support hardware or software that is purchased without this prior approval. If you are seeking to purchase a desktop or laptop computer, the current standard can always be found at the Department's Intranet site, under Information Technology Services.

This policy has been in place for some time and is designed to prevent wasting time and money by the purchase of hardware and/or software that is incompatible with our current system. Some items, particularly items purchased via the Internet, can not be returned.

Please discuss your technology needs with IT prior to purchase. It will save you time, money, and help you to make better business decisions alert staff to upgrades, changes in software and hardware, and keep purchases within Department standards so that support may be provided.

### **Advertising Orders (AO)**

All paid advertisements and Public service Announcements (PSA) must be reviewed by the Commissioner's Office.

A draft of the announcement along with the AO form must be provided to the Commissioner's Office for review via email. AO forms are available in the department Intranet.

The Commissioner's office routes approved AO to the Division of Administrative Services where the AO number is assigned

Invoice(s) received from media vendors will be matched to the AO and submitted to the finance and accounting section in Administrative Services for processing.

### **Procurement Card Purchases (P-Card)**

You may use the P-Card for a one-time purchase limit of \$10,000 after receiving only one quote.

Note: your One Card limit will most likely not be that high and when using the purchasing card for procurements between \$5,000 and \$10,001 you must have Level 1 Procurement Certification.

### **Adequate and Reasonable Competition**

Provide adequate and reasonable competition for purchases estimated to cost less than \$10,001. The higher the price or the more contractors who can meet your needs, the more competition you should seek.

AS 36.30.320 and 2 AAC 12.400(b).

### **Written or Oral Quotations**

Procurements of goods and other services estimated to cost between \$10,001 and \$50,000, and professional services between \$10,001 and \$50,000 require oral or written quotes from at least three Alaska Vendors. Oral quotes for professional services must be followed up with written quotes. When soliciting, include the specifications, award criteria and the date and time responses are due.

Exceptions include passenger transportation estimated to cost no more than \$15,000. Use competition that is adequate and reasonable for these procurements as well as hearing officer and attorney contract estimated to cost no more than \$50,000.

Make the award in accordance with the specifications and award criteria to the responsive and responsible vendor who submitted the lowest quote or informal proposal that is the most advantageous to the State.

AS 36.30.320 and 2 AAC 12.400(c).

### **Written Quotations**

When a proposed procurement is estimated to cost between \$50,001 and \$100,000 for goods or other services, solicit written quotes from at least three Alaskan vendors on the RFQ form. This requirement does not prevent you from contacting more than three vendors.

Make the award in accordance with the specifications and award criteria to the responsive and responsible vendor who submitted the lowest quote or informal proposal that is the most advantageous to the State.

AS 36.30.320 and 2 AAC 12.400(d).

### **Award Notification**

For procurements over \$50,000, provide written notice of the award. Include the name of successful offeror, to each firm or person providing a quotation or informal proposal. In addition, describe protest rights under 2 AAC 12.695 and the time limitations within protest must be received by the purchasing agency.

### **Professional Services Contracts \$50,001 - \$100,000**

When a proposed procurement of professional services is estimated to cost between \$50,001 and \$100,000, solicit written proposals from at least three Alaskan vendors. Use an Informal RFP (IRFP) format that details the specifications, prior experience requirements, and evaluation criteria. Contact the Department lead procurement person before preparing the IRFP to determine if an IRFP is appropriate or if the formal RFP boilerplate should be use. Proposal Evaluation Committee (PEC) action may be required of an IRFP.

AS 36.30.320 and 2 AAC 12.400(d).

### **Professional Services Defined**

Only those services that qualify as a professional service may be procured under the statutory exclusion for professional services. A professional service is defined as a service that requires specialized knowledge and training (often through long and intensive academic preparation) or in-depth experience in a particular field or discipline. Professional services are professional, technical or consultant services predominantly intellectual in character. They include analyzing, evaluation, predicting, planning, or recommending and usually result in producing of a report or completing a task. A contract which is procured as a professional service, but which in fact is not a professional service is subject to being voided.

#### **For Example:**

The use of a designer to do layout work for a magazine is considered a professional service. The printing of the magazine is not considered a professional service.

A carpenter who provides consulting services for a remodeling project is a professional service. The carpenter who does the remodeling is not considered a professional service.

### **Professional Service Contracting**

The following is the sequence of professional services contracting (PSC) steps:

1. Assess your need for a PSC and ensure the project qualifies as a professional service.
2. Request and receive Authority to Seek Professional Services (ASPS.)
3. Solicit proposals for desired services (if no greater than \$10,000).
4. Evaluate proposals submitted and select contractor.
5. Negotiate with the selected contractor and prepare a contract.
6. Obtain approval of negotiated contract.

7. Administer (monitor) the contract.
8. Evaluate contractor's performance.

### **Authority to Seek Professional Services (ASPS)**

Use a Standard Agreement form for Professional Services Contract (form #02-093) and include appropriate appendices for all professional service procurements of \$5,000 or more. Do not enter a contract or negotiations with any prospective contractors, advertise, or release a solicitation until the ASPS is approved. Submit a completed ASPS request, regardless of cost, to the Contract Officer in the Division of Administrative Services. The Contract Officer will assign a department sequence ASPS number and will obtain all the required signatures and approval.

An amending ASPS form is required if the contract(s) amount(s) exceeds ten percent (10%) or more of the estimated dollar value of the project as stated on the original ASPS form and any subsequent amendments.

The Deputy Commissioner or designee will approve all ASPS's by signing as head of department.

The ASPS form and all standard procurements forms are located in the Department of Education and Early Development Intranet page under Purchasing and Procurement.

### **Procurements of Professional Services Estimated to Cost Over \$100,000**

All procurement over \$100,000 must be handled by Department Procurement Officer.

For all professional services of \$100,000 or more, a formal Request for Proposal (RFP) is required in accordance with AS 36.30.210. We encourage you to use Department of Education and Early Development RFP shell to assist you with the preparation of this type of procurement. The RFP shell is located in the department web page.

AS 36.30.200.

### **Procurements of Goods or Non-Professional Services Estimated to Cost over \$100,000**

Goods or services estimated to cost over \$100,000 must be made by competitive sealed bid (ITB) in accordance with AS 36.30 and 2 AAC 12.

Coordinate this type of procurement with the Department lead procurement person. A solicitation number must be obtained from the Division of General Services

AS 36.30.100.

### **Alaskan Preferences**

Certain preferences apply to all contracts procured through the request for proposal or informal proposal processes, regardless of their dollar value.

**Alaska Products Preference - AS 36.30.332**

**Recycled Products Preference - AS 36.30.337**

**Local Agriculture and Fisheries Products Preference - AS 36.15.050**

**Employment Program Preference - AS 36.30.321(b)**

**Alaskans with Disabilities Preference - AS 36.30.321(d)**

**Alaska Veteran's Preference - AS 36.30.321(f)**

Before any preferences are applied, the lead procurement person must first determine that the proposal is responsive. Guides for various bidder and product preferences are available at the Division of General Services' web site at <http://doa.alaska.gov/dgs/pdf/pref1.pdf>.

### **Alaska Business License**

AS 36.30.110(b) and 36.30.210(e) require that bidders and offerors have a valid Alaska business license at the time the contract is awarded. A business license is not required for if the vendor is located out of state and ships a product to Alaska or performs a service out of state

### **Solicitation Sources**

You must solicit the minimum number of solicitation from Alaska vendors

- Telephone vendor: make sure all vendors received the same information.
- Written or email solicitations: send letters of interest to vendors.
- Contractor's list: available from General Services.
- Catalog prices: make sure you have applied any discounts due and include delivery.

### **Oral Solicitations**

You may telephone vendors and describe the service to be performed or items to be procured. Prepare an outline of the requirements before calling to ensure that all prospective contractors receive the same information. Oral proposals received on professional service procurements must be followed up with written proposals. A record containing the following information must be prepared on all oral solicitations.

- Who made the solicitation;
- The specifications or items solicited;
- The date the solicitation took place;
- The names of firms or persons contacted (if a firm, the name of the person in the firm contacted);
- The response of each firm or person; and
- Justification for the award.

## **Written Solicitations**

You may issue an informal letter describing the items or specifications or issue statements of interest and qualifications or request for proposals. For written proposals, attached to the purchasing or contract document the following:

- A list of firms or persons contacted;
- A copy of the solicitation used;
- A summary of the responses, copies of all proposals or quotations received; and
- Justification of the award.

In evaluating quotations, bids, or proposals it is your responsibility to fairly award to the lowest, responsive/responsible vendor, taking into account applicable Alaskan Bidder, Alaskan Product, Employment Program, People with Disabilities, and/or Recycle Products preferences. See Alaska Preferences Section.

## **Request for Alternate Procurements (RAP) (Form 02-100)**

A RAP is used when normal procurement methods are impractical or contrary to public interest for procurements expected to exceed \$10,000. State on the RAP the impacts of non-approval, explain the situation that requires the RAP, and provide a complete description of the item to be procured, and specify the RAP duration of effectiveness. Include in the RAP an itemized finding of facts that can be reviewed and verified. Include contacts, telephone numbers, support documentation, and a list of facts that support the exemption.

Submit to the department procurement staff the completed RAP for processing and approval.

The RAP form is used to request the following types of exemption:

### **Single Source**

A Single Source procurement may be requested when you have determined that only one source exists.

AS 36.30.310 and 2 AAC 12.415-420

### **Limited Competition**

A limited competition is a procurement that is restricted to a group of potential contractors or a situation that make the open competitive sealed bidding, proposals, or small procurement procedures processes impractical or contrary to the public interest. AS 36.30.305 and 2 AAC 12.430

### **Emergency Procurements**

Emergency conditions exist when a timely decision is required to prevent loss of life or damage to property, or to mitigate an imminent threat to public health, welfare, or safety AS 36.30.310 and 2 AAC 12.440-460

### **Innovative Procurements**

**This type of procurement must contain findings of fact that support the determination that it is advantageous to the State, to use an innovative competitive procurement process, in the procurement of new or unique requirements of the State, new technologies, or to achieve best value.**

AS 36.30.308 and 2 AAC 12.575

### **Exception to Administrative Manual Amendment Limitations**

When an unanticipated amendment to an existing contract would be beyond the limits described in AAM 81.700, the agency must send its request to exceed the amendment limits to the Division of General Services on a completed RAP form.

### **Procurement Violations**

All violations of the procurement code and regulations will be handled according to the AAM 80.260. Anyone who knowingly contracts for professional services, other services, or goods in a manner that is contrary to AS 36.30, can be held liable for all cost and damages arising from the violation. Anyone who contracts for professional services, other services or goods in order to avoid the requirement of AS 36.30 is guilty of a Class C felony.

### **Determining the Dollar Value of a Procurement**

In determining the dollar category applicable to your procurement(s), consider the total price, similarity of products, and predictability of the procurement. “Artificial division or fragmentation” of procurement in order to circumvent the competitive competition requirements is strictly prohibited and will be considered a purchasing violation.

#### **Example:**

If you wish to procure maintenance services that would cost \$200 per month and would last three years, select the process applicable to a \$7,200 procurement (\$200 x 36 months).

### **Procurement Code Exemptions**

**Governmental Agencies:** You may procure services or goods from an external procurement or public procurement unit without preparing specifications or issuing competitive sealed proposals

Governmental agencies	Correctional Industries
Book binding services	Newspaper
Employee moving expenses	Grants
Approval plans	Federal funds
Medical doctors or dentist	Audio-visual materials
Certified employment programs	Periodicals
Conference attendance fees	

A request made to or received from another State agency must comply with the Reimbursable Services Agreement Procedures established by the Office of Management and Budget (OMB.)

### **Certified Employment Programs**

Within the limits of your delegated purchasing authority, you may procure goods produced or services performed by a certified employment program or accredited youth education and employment program without soliciting quotes from the private sector. Prepare a written determination that states that the goods or services meet your requirements and the price represents a reasonable cost for the goods or services. The determination can be recorded on either a [DO](#), negotiated abstract, or [memorandum form](#). An accredited youth education and employment program is a program that allows participant to earn academic credits that are recognized by a school district in this state.

If a certified employment program, cannot meet your requirements or the price is not reasonable, the procurement may be made competitively from the private sector.

List of certified employment programs are available from the Division of Vocational Rehabilitation or the Division of General Services with the Department of Administration.

### **Specifications**

One of the first steps in procurement is establishing specifications. Seek Alaskan grown or manufactured products, services provided by Alaskan bidders (minimum of solicitations must be from Alaska vendors), and recycled products whenever possible.

If your specifications are restrictive and limit the required competition, revise your specifications. Always state exactly what you want, avoid unique requirements. Make sure all the potential bidders receive exactly the same information

Include in the specifications the following:

- A delivery date,
- Duration of the procurement,
- Possible renewal options,
- Deadline for submitting quotes, and
- A description of items.



### **The basic flow of an Invitation to Bid process is**

Develop the specifications into the ITB Boiler plate.  
Order a contractor's list from DGS.  
Send the ITB to the potential bidders.  
Issue any amendments that are necessary (i.e., if questions are received during the time allowed.)  
Received and keep sealed the bids until the date and time stated in the ITB.  
Publicly open the bids on the date and specified time.  
Read the bids aloud and log the respondents and their bid total.  
Return to work station and determine if the bids are responsive and the bidders are responsible.  
Issue the Intent to Award.  
Wait the 10-day protest period.  
After the 10-day protest period, if there are no protests, issue the contract (CA.)  
Administer the contract.  
Issue renewals as allowed in the ITB.  
Close out the contract at the end of its life.

### **Specifications for Professional Services**

No matter how limited the service you require, prepare your specifications before contacting potential contractors. Describe clearly and completely the specific services you require and level of acceptable performance. If you do not specify a required service, do not expect to receive it.

Specifications should include:

A definition of the problem  
The expertise or knowledge required,  
The proposed solution (if known),  
An estimated work schedule,  
Renewal options and "subject to funding" clauses.

Develop your RFP and the scope of services (Appendix C) of the contract from these specifications. If you wish to procure services beyond those addressed in the specifications, treat the acquisition as a new procurement.

AS 36.30.060; 2 AAC 12.070-.110 & 790

AM 81.210-.220 & 82.260-.270

### **Public Notice**

Public notice of formal procurements must be provided in accordance with AS 36.30.130 and 2 AAC 12.130. Notice must be published on the State of Alaska Online Public Notice system given at least twenty-one (21) days before the date of the opening of bids or the deadline for receipt of proposals. Notice must also be published in the Alaska Administrative Journal. Contact the lead procurement person in

Administrative Services for proper arrangements to place your notice. Additionally, RFP's must either be mailed to those contractors appearing on the contractor's list for that particular service code, or published in a newspaper of general local circulation in the area pertinent to the contract or in other appropriate media. All notices must include the RFP number.

### **Contract Formation Policy**

It is departmental policy that all professional service contracts or agreement will be in written form. It must clearly state the scope of services to be provided, the duration of the agreement, the method of payment, and be approved by the appropriate purchasing authority.

Award contracts in excess of \$5,000 on the Professional Services Standard Agreement form (form 02-093). Include the Appendixes:

### **Appendix A – General Provisions**

Appendix A is found on the backside of the standard agreement form. This appendix contains the general provision applicable to all professional service contracts. Its provisions address definitions, rights of the contracting division to inspection of the contractor's facilities and activities, the handling of disputes, equal employment requirements, State's rights to termination of the contract, etc. Any changes to these provisions require prior approval by the Department of Law.

### **Appendix B – Insurance**

Appendix B contains the liability and insurance provisions for contracts. Any revision of the standard insurance or hold harmless clauses requires prior approval from the Division of Risk Management. Include either appendix B1 or B2 accordingly.

[Appendix B1](#) details professional services contract's liability and insurance provisions.

[Appendix B2](#) requires professional liability insurance and should only be used when contracting the following:

Physicians, Dentists, Attorneys, Architects, Engineers, Insurance Agents and Brokers, Appraisers, Claims (Loss) Adjusters, Tax Consultants, Accountants, Risk Management/Insurance Consultants, Investment Brokers and Consultants.

### **Appendix C – Scope of Services**

Appendix C is the statement of work to be performed. It should define in specific terms the services and products to be provided. It describes the tasks that are to be accomplished by the contractor, the conditions under which the work is to be performed, and the assistance and products to be supplied. Inadequate or deficient statements of work can potentially lead failure of the project, delays in scheduled work, and disputes.

## **Appendix D- Method of Payment**

Indicate in Appendix D the method by which the contractor will received payment. This refers to the conditions and/or schedule by which the contractor will be paid. This appendix must also contain a “do not exceed” dollar amount and a “subject to funding: clause if the contract is contingent upon future funding.

AS 36.30.260

## **Employee/Employer Relationship**

The intent of this form is to assist you in collecting information regarding the procurement and the existence of any employer/employee relationships. Completion and submission of this form is not mandatory, but is encouraged.

The State cannot normally enter a contract with a State employee or contract for work that would normally be performed by a state employee. Before proceeding with procurement, determine if a state employee or a contractor should perform the work.

Hire a person through the personnel system if any of the following condition exist.

The person is subject to your control as to what, when, where, and how the work shall be done. It is not necessary that you actually direct or control the manner in which services are performed; it is sufficient that you have the right to do so.

You have the right to discharge the person for reasons other than failure to deliver the product.

An independent contractor(s) could be hired if:

They are subject to your control or direction but only as to the result to be accomplished and the work to be done, not as to the means and methods for accomplishing the result.

They are in business and provide a service to the public from which they may derive a profit or suffer a loss.

Contact EED, Human Resources section, if you have any questions about hiring versus contracting for a particular service.

AAM 82.030

## **Change of Name**

If it becomes necessary to change the name of the contractor, such as the business was sold, obtain approval from the Administrative Services procurement officer. Prepare a [memorandum](#) explaining the situation and provide a signature line and approved/disapproved blocks. After receiving approval, complete an amendment.

2 AAC 12.480

### **Contract Close Out**

A Professional Service Contract is deemed closed when the amount of the contract has been fully expended and the completion date has past. Or when a written request is received from a division to liquidate existing funds on a contract and the completion date has past.

### **Protests/Appeals**

Any interested party may file a protest concerning the solicitation, cancellation of the solicitation, proposed award of a contract, or award of a contract. Each written solicitation should contain an explanation of the protest procedures.

The protest and appeal process can be found in AS 36.30.560. -. 605. The hearing process can be found in AS 36.30.610.

Notify the Administrative Services lead procurement person **immediately** if you receive protest filed under AS 36.30.565.

### **Procurement Files**

The Division of Administrative Services maintains and archives procurement files for the department. Submit copies of Delivery Orders or other documents to Administrative Services

### **Professional Service Procurements Files**

The file must include a copy of the RFP, the Advertising order, and a screen print of FTP register of the encumbrance open item. The proposals and the dated and time they were received. Register of proposals' required written determinations, procurement reports, ASPS, complete contract package (originals). Notice of Intent to Award, Amendments to contracts; all correspondence, records or notes applicable to the procurement, Solicitation and Procurement Fact Sheet (optional), and RAP (if applicable.)

### **State Control Property**

Controlled property includes non-consumable property and equipment valued at more than \$5,000.00, FOB final destination, regardless of the funding source or means of acquisition.

*Note: Shipping costs are calculated only for the first destination in Alaska.*

Some items, regardless of value, must be controlled. These items are listed on the sensitive item class codes list (available on the State of Alaska, Division of General Services, Property website) and maintained in the Property Control System. Controlled property also includes items which are loaned, leased, or rented items in the care and custody of the state, even though owned by another entity. Such items must be

treated as controlled property if the value is more than \$5,000.00 or the item is on the sensitive item class codes list.

Items that, when installed, become an integral part of another unit of property or a building are not considered controlled property (e.g. the hard drive in a personal computer or the heating system for a building).

**Note:** All state property, regardless of value, shall be identified on the appropriate property transaction form (this includes trade-in and donation requests) for approval by the Property Management Office when falling under one of the following categories:

- Excess
- Transfer (inter-departmental and intra-departmental)
- Salvage, destroy
- Lost, stolen, damage

This provides accountability of state property that is excessed, transferred, destroyed, or lost/stolen/damaged.

### **Property Identification (Tags or Decals)**

Most controlled property is assigned a property control number, designated by a Property Tag or Decal. If a property control number is assigned, it must be affixed to the item by decal or other approved method.

It is important that the decal be placed where it can be easily seen and that decal placement be uniform for ease in locating and reading the number, regardless of the property's location or placement (if a decal is hidden, it is recommended that "dymo" tape or other suitable material be used to show the property control number in a visible location).

The assignment of property control numbers is the responsibility of the Department Property Officer and questions about whether a number is issued and whether a decal should be used to mark the property should be directed to the Department Property Officer.

If a property control number is issued, but the item is marked by any means other than decal, the decal must be destroyed. Decals for leased or rented items should be affixed with scotch tape so the tag can be moved if the item is exchanged or the lease expires (some leased or rented items will be controlled by serial number and no property control number assigned).

When necessary, a Department Property Officer may direct that a property control number be relocated or replaced. If a number of outdated decals have accumulated, they may be removed if removal will not deface the item. A new decal may be placed over an outdated decal. Make note of the outdated decal before you cover it. If removal of an obsolete decal would deface the item, mark the old decal to make it obvious it is no longer valid.

All weapons and some electronic and computer components are controlled by manufacturer's serial number and require no property control number. All vehicles and heavy equipment are controlled by the "V" number assigned by State Equipment Fleet. When license plates are applicable, the number following the prefix is the "V" number except for certain law enforcement vehicles.

### **New Property**

The Division of Administrative Services property officer will record all controlled property in the Property Control System. Property management and inventory control procedures begin when a new item is purchased. Report all new property with a value at more than \$5,000 to the Property Office in Administrative Services.

### **Used Property**

If you are in need for surplus items, call or visit the state surplus warehouse. If the items are not available immediately, the request will be entered on the "Want List" and you will be notified on a first-come, first-served basis when requested items become available.

### **Inventory Reduction**

### **Lost-Stolen-Damaged**

An item that is lost, stolen, damaged or destroyed must be reported on Form 02-627. Submit the completed form to the Department Property Officer.

Suspected theft of equipment or supplies should be reported immediately to the appropriate law enforcement agency. Any law enforcement report should be included with the form 02-627.

### **Property Salvage/Destruction**

State property that can not be repaired economically or is not marketable should be destroyed or salvaged for parts. Property Management Officer approval is required before destruction or salvage and is requested on Form 02-610, "Property Salvage/Destruction Request". Submit the completed form to Administrative Services for proper procedures.

### **Property Transfers**

Intra-departmental Transfers are authorized. Please notify the department property officer if you are transferring controlled property in order to update the Property Control System.

### **Inter-departmental Transfers**

Property may be transferred to another department only after approval of the Property Management Officer (PMO). The "releasing" Department Property Officer and the "receiving" Department Property Officer can approve the request on Form 02-622. Forward this form to the Department Property Officer. The property may not actually be moved until the transfer has been approved by the PMO.

### **Surplus State Property Disposal and Re-utilization**

Property in useful or serviceable condition, but excess to actual need, must be reported on Form 02-622, "Inter-Department Transfer Authorization and Request (TAR.)" The Property Officer will schedule the transfer of excess property to the state warehouse. Tags to identify surplus items are available in the Administrative Services. Please contact the property officer if you need tags or have any questions regarding the transfer.

Two weeks before the transfer, the property officer will send an email announcing the date, time and location of the surplus run. Please have all the surplus items properly tagged and ready for the scheduled date and placed in the appropriate location.

### Required Approvals

We are required to coordinate and obtain approval from the following agencies before proceeding with the following procurements:

Agency	Subject	Telephone #
Law	Legal Service Procurement Changes to Standard Agreement Boiler Plates/Innovative Procurement	465-3600/3672
Administration/ Risk Management	Insurance Questions/ Changes to Appendix B	465-2180
Revenue/ Treasury Banking Services		465-2360

Documents will be approved within the department as follows:

<u>Document Type</u>	<u>Dollar value*</u>	<u>Written Authorizations</u>
ASPS	\$5,000+	Deputy Commissioner or designee
PSCs/Agreements	under \$5,000 \$5,000+	Division Director Deputy Commissioner or designee
RAPs	Up to \$100,000.	Deputy Commissioner or designee
Goods & Other Services	\$10,001+	Deputy Commissioner or designee
	\$100,000+	Deputy Commissioner DGS Number

\*Dollar value stated is the total of all procurements for a specific project

The division must first initiate all documents to be approved by the Commissioner's Office. **Administrative Services will review and obtain all signatures from the Commissioner's Office.**